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SENATE BILL 688

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Manny M. Aragon

AN ACT

RELATING TO ALCOHOL; REVISING THE DEFINITION OF "SUPPLIER" FOR
THE PURPOSE OF FRANCHISE AGREEMENTS PURSUANT TO THE LIQUOR
CONTROL ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 60-8A-7 NMSA 1978 (being Laws 1981,
Chapter 39, Section 54, as amended) is amended to read:

"60-8A-7. FRANCHISES--DEFINITIONS.--As used in Sections
60-8A-7 through 60-8A-11 NMSA 1978:

A. "franchise" means a contract or agreement,
either expressed or implied, whether written or oral, between a
supplier and wholesaler, wherein:

(1) a commercial relationship of definite
duration or continuing indefinite duration is involved; and

(2) the wholesaler is granted the right to buy

underscored material = new
[bracketed material] = delete

1 and to offer, sell and distribute within this state or any
2 designated area thereof such of the supplier's brand of
3 packaged alcoholic beverages as may be agreed upon;

4 B. "good cause":

5 (1) includes failure by the wholesaler to
6 substantially comply with the essential and reasonable
7 provisions of a contract, agreement or understanding with a
8 supplier;

9 (2) includes use of bad faith on the part of
10 the wholesaler in carrying out the terms of the franchise; and

11 (3) does not include failure or refusal on the
12 part of the wholesaler to engage in any trade practice, conduct
13 or activity [~~which~~] that may result in a violation of any
14 federal law or regulation or any law or regulation of this
15 state;

16 C. "supplier" means [~~any~~] a person, partnership,
17 corporation or other form of business enterprise engaged in
18 business as a manufacturer, importer, broker, [~~or~~] agent or its
19 successors or assigns [~~which~~] that distributes any or all of
20 its brands of alcoholic beverages through licensed wholesalers
21 in this state;

22 D. "termination" includes any substantial
23 alteration or modification of the provisions of the franchise;
24 and

25 E. "good faith" means honesty in fact in the

